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Bennie Heath – Chairman
Denny Garner– Vice Chairman
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County Manager
Richard Hicks

Finance Officer
Sandy Barss

Home of the North Carolina Sweet Potato Festival

November 21, 2014

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
NC General Assembly
16 W. Jones Street
Raleigh, NC 27601

SUBJECT: Debt Issuance Reporting – Session Law 2011-291
USDA – Rural Development Funding
Phase 1H Water System Improvements

Dear Chairman:

In reference to the subject project, Greene County has received an "Obligation of Funds" from USDA – Rural Development to support ongoing water system improvements needed to allow compliance with Central Coastal Plain Capacity Use Area rules. This letter serves to notify you of the potential debt issuance of over \$1,000,000 for infrastructure improvements.

Please advise as I may provide any additional information for your review.

Sincerely,

Richard N. Hicks
County Manager

Cc: Fiscal Research Division
NC General Assembly
Suite 619 – Legislative Office Building
300 N. Salisbury Street
Raleigh, NC 27603-5925

Mr. Vance Holloman
Local Government Commission
NC Department of State Treasurer
325 N. Salisbury Street
Raleigh, NC 27603-1385

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www.co.greene.nc.us

The mission of Greene County Government is to serve and improve the lives of all citizens by providing high-quality, cost-effective services in an open, professional and ethical environment



FINANCE DEPARTMENT
INTEGRITY FIRST

November 21, 2014

Joint Legislative Committee on Local Government
North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Committee Assistant

Fiscal Research Division
North Carolina General Assembly
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925

Re: Financing of Various Capital Improvements by the City of Lexington, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the City of Lexington, North Carolina (the "City") hereby notifies you of its intent to enter into an installment financing agreement (the "Agreement") pursuant to Section 160A-20 of the General Statutes of North Carolina in the principal amount not to exceed \$8,000,000 to (a) finance the cost of various capital improvements to the City's electric system, recreational facilities and public buildings, including, without limitation, installation and replacement of an electric transformer and switchgear, reconstruction and renovation of a City pool and bathhouse facility and improvements to the City Hall and the Municipal Building (collectively, the "Project") and (b) refinance (i) an existing Installment Financing Agreement, dated as of June 12, 2003 (the "2003 Agreement"), between the City and Bank of America, N.A. and (ii) an Installment Financing Agreement, dated as of December 13, 2007 (the "2007 Agreement"), between the City and Bank of America, N.A. The 2003 Agreement was entered into by the City to finance the cost of various improvements to the City's wastewater treatment plant, and the 2007 Agreement was entered into by the City to finance the cost of various electric system improvements (collectively, the "Prior Projects"). The costs of the Project is approximately \$4,050,000, and the cost of the two refinancings is approximately \$3,805,000. The obligations of the City under the Agreement will be secured by a deed of trust on all or a portion of the sites of the Project and the Prior Projects, together with any improvements or fixtures located or to be located thereon.

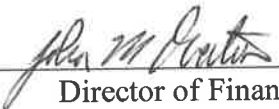
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It is expected that the Agreement will have a term of approximately 15 years. The financial institution to provide the financing pursuant to the Agreement will be selected pursuant to a request for proposals, at which time the interest rate(s) shall be determined for the Agreement. The City expects to accept the proposal of the winning bidder on December 8, 2014, obtain the approval of the North Carolina Local Government Commission on January 6, 2015 and close the financing by January 16, 2015.

If you have any questions or require any further information, please do not hesitate to contact me.

CITY OF LEXINGTON, NORTH CAROLINA

By: _____
Director of Finance

cc: Local Government Commission